

MICROTURBINES

www.microturbine.com

FUPWG Spring 2002

Omaha, NE
April 17, 2002

Roman E. Grosman

Power when and where you need it.
Clean and simple.

DG:

Small-Scale On-Site Generation

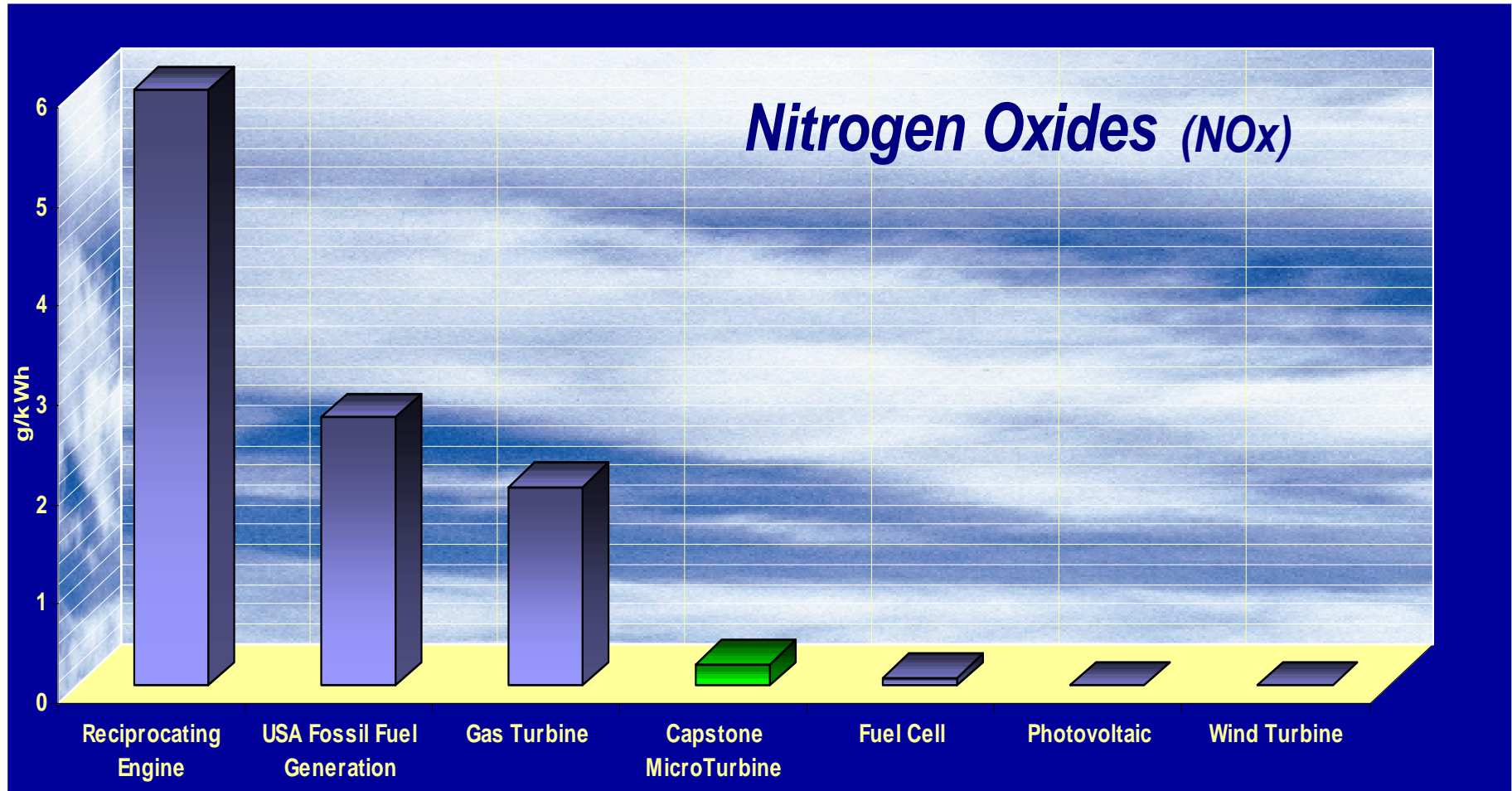
- Generate power where it's used
- Transparent to end-user
- Fast & easy installation & operation
- Boost capacity w/o utility costs/delays
- Ensure a high level of power quality & reliability
- Gives end-users energy cost control
- Maximize energy efficiency via CHP
- Affordable n+1 or greater reliability for critical loads
- Low maintenance and minimal parts inventory
- Multi-fuel capability
- Ultra-low emissions
- Easy scalability
- Remote dispatching
- Multi-unit operation (up to 100 units or 6 MW)
- Stand-alone and grid-connect capability

***But...for DG to work, it must be safe, it must be clean,
and it must be affordable***

MicroTurbines: ...It Must Be Safe

- MicroTurbines should comply with:
 - UL 2200 - the new generator standard
 - UL 508C – power conversion equipment
 - UL 1741 – static inverters
 - IEEE 929, 519
 - NFPA 37, 54, 70
- IEEE nationwide interconnection standard (pending)

MicroTurbines: ... It Must Be Clean



MicroTurbines: ... It Must Be Affordable



MicroTurbines: Part of the Solution Today

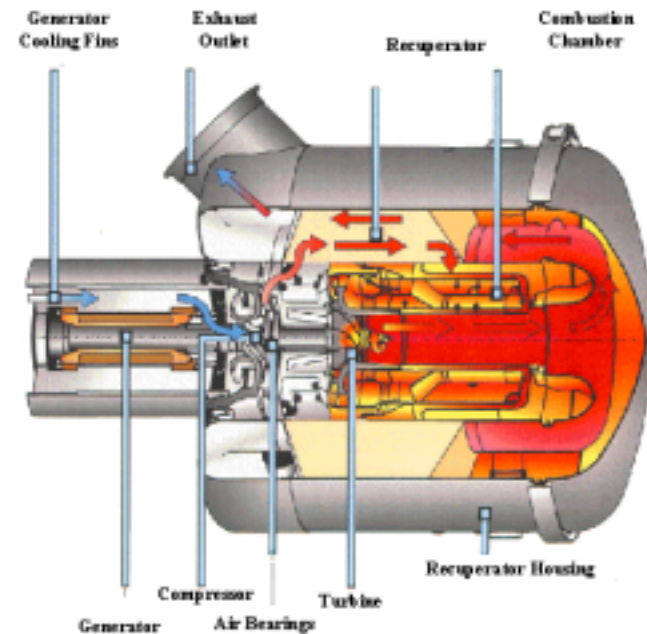
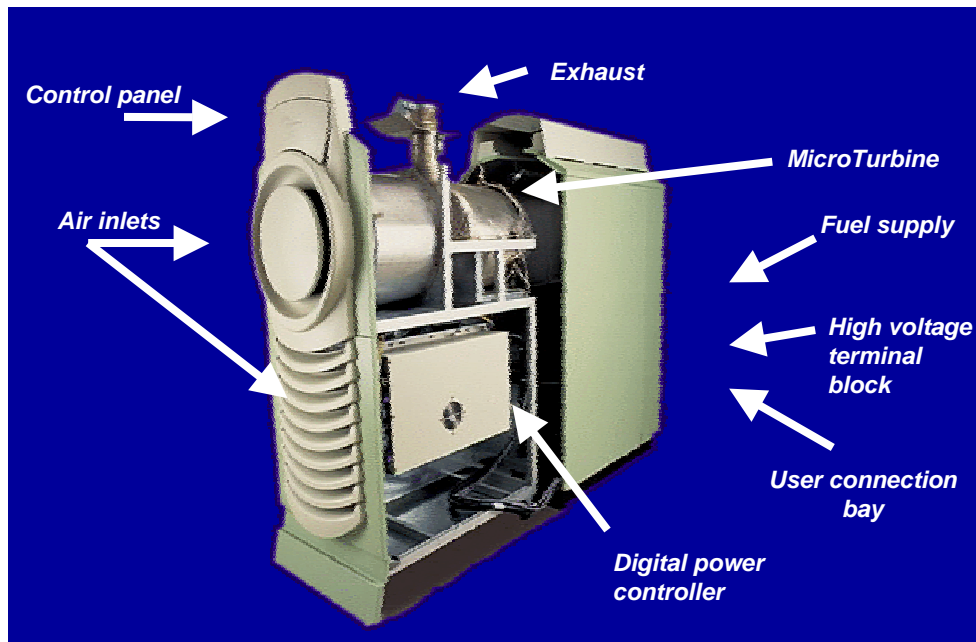
- DG systems can be part of the solution
 - Proven clean, safe, reliable, efficient and cost-effective
 - Well below today's toughest air quality standards
 - Reduces demand on the utility grid during peak times
 - Can be deployed in weeks, not years
- Expand the President's Energy Plan to encourage
 - Use of oilfield gases as fuel
 - Use of digester gases as fuel
 - Use of hybrid-electric technology in PUBLIC transportation

MicroTurbine Technology: Unique Design Characteristics

- Integrated system approach
- Simple, low pressure ratio, low temperature, robust design
- Multi fuel capability:
 - Natural Gas, propane, CNG/LNG, methane
 - Up to 7% sour (H₂S) gas
 - Diesel, Kerosene
 - Bio-gas
- Single moving part supported by patented air bearings
 - Eliminates the need for liquid engine lubricants
 - Reduces maintenance costs
 - Increases system life
- Air cooling of the electronics
 - Eliminates need for liquid cooling systems
- Low exhaust and acoustic emissions
 - Less than 9 ppm NOX
 - 65 dba at 10 meters

- **High Reliability**
- **Low Maintenance**
- **Low Emissions**
- **Versatility of Use**

MicroTurbine Technology: Inside the MicroTurbine



MicroTurbine: Performance Data and Specifications

Characteristic	Performance	
	<u>MODEL M330</u>	<u>CAPSTONE 60</u>
Output	30/28 kW Net (+/-1)	60 kW Net (+/-1)
Efficiency	26% (+/-2)	28% (+/-2)
Fuel Flow	410,000 BTU/hr - HHV	871,000 BTU/hr - HHV
Exhaust Temperature	520° F	649° F
Total Exhaust Energy	277,000 BTU/Hr	640,000 BTU/Hr
Projected O&M Costs	\$0.008/kWh	
Emissions	NO _x (<9 ppmV)	
Noise level	65 dBA at 10 meters	
Voltage	400-480 VAC 3 phase, 50 or 60 Hz	
Weight	1052 LB	1340 LB
Size	74.8''h x 28.1''w x 52.9''d	80''h x 30''w x 76''d

The MicroTurbine™ is smaller in footprint and quieter than conventional generation technologies

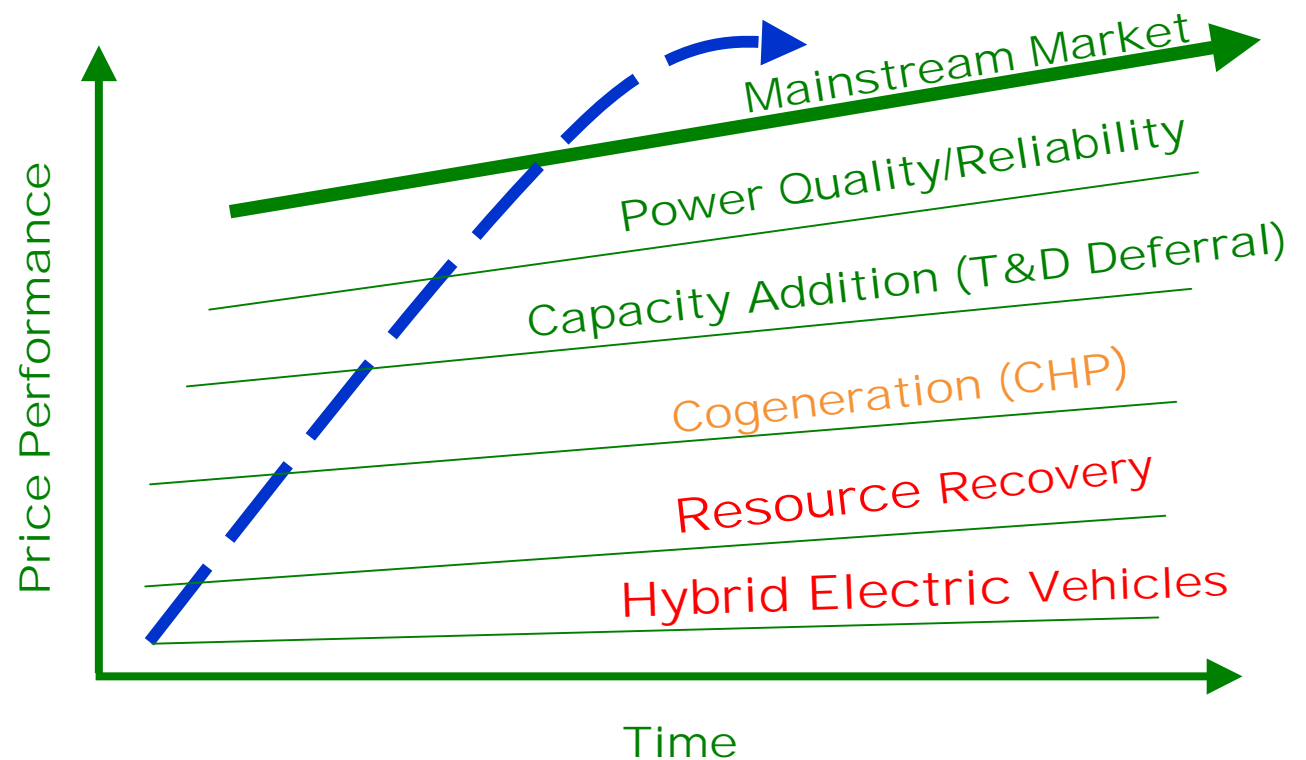
How Do We Compare to Recip's?

	<u>Conventional GenSet</u>	<u>MicroTurbine</u>
Life Resource	10, 000 to 15,000 hrs	40,000 hrs
Oil Change	Yes	No
Water Cooling	Yes	No
Ultra Low Emissions	No	Yes
Heat Recovery Capability	Limited	Yes
Paralleling Gear	Optional	Integrated
Maintenance Frequency	Monthly	Annually
Grid-Quality Power	No	Yes
Multipac Configuration	Requires optional gear	Up to 100 units
Noise Level/Vibration	Loud/Present	As low as 55dBA*/None

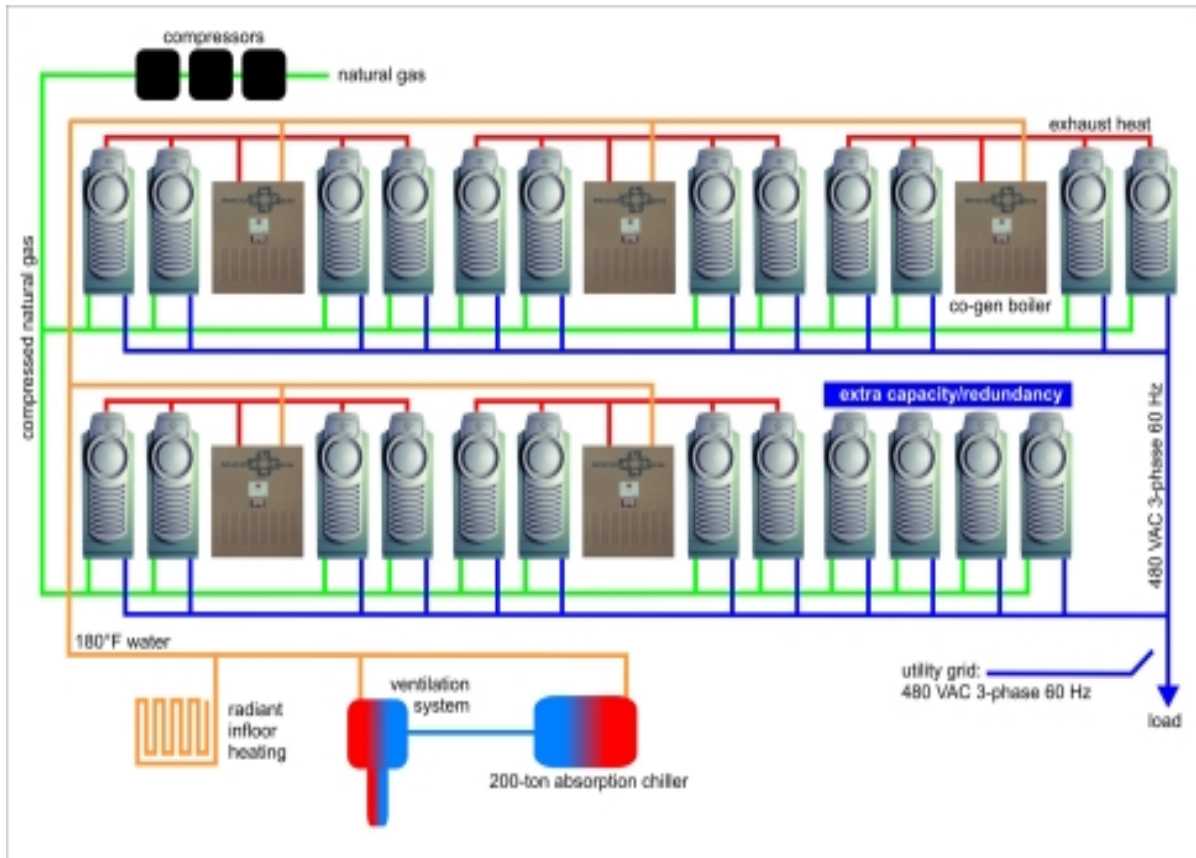
**-With optional silencer kit*

MicroTurbine Applications: Valuable Characteristics

- High Electricity to Fuel Cost Ratio
- Virtually Free Fuel
- Significant Run Time
- Avoided Capital Investment
- Low Maintenance Required
- Exhaust Heat Utilization
- Power Quality Critical
- Strict Air Quality Requirements
- Space considerations



Applications: Power Quality and Reliability



24-unit 700kW stand-alone MultiPac system with heat recovery installed at a plastics manufacturing facility in New York

Applications: Federal and Local Government



**South California
Prison**



**Denver, CO
Police Department**



**City Hall in California
Powered by wellhead gas**

**Presidio Trust
Former Military Base
Now Public Park
California**



FUPWG Meeting

April 16-17, 2002

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MicroTurbines: Further Developments

- Advanced MicroTurbine targets
 - 120 to 150 kW
 - 40% efficiency
 - 6 ppm NOx
- Hybrid Systems:
 - Fuel cells
 - Storage devices
 - Large generation systems

250 kW fuel cell is used to
spin specially modified
MicroTurbine



DG Economic Model¹

$$\begin{array}{ccccccc}
 \text{Current} & & \text{Capital} & \text{Operating} & & & \\
 \text{cost of} & & \text{cost of} & \text{cost of} & & & \\
 \text{grid} & & \text{DG} & \text{DG} & & & \\
 \text{power} & - & \text{solution} & + & \text{solution} & + & \\
 & & \text{Other} & & \text{Other} & + & \text{Gas} & + & \text{Electric} & = & \text{DG} \\
 & & \text{customer} & & \text{customer} & & \text{LDC} & & \text{LDC} & & \text{Economics} \\
 & & \text{benefits} & & \text{costs} & & \text{benefits} & & \text{benefits} & & \\
 & & & & & & & & \text{\& costs} & & \\
 \hline
 \begin{array}{l}
 \bullet \text{Demand charge} \\
 \bullet \text{Energy charge} \\
 \bullet \text{Connection charge} \\
 \bullet \text{Tax}
 \end{array}
 & - &
 \begin{array}{l}
 \bullet \text{Prime mover} \\
 \bullet \text{CHP} \\
 \bullet \text{Connection equipment, metering, siting and permitting process}
 \end{array}
 & + &
 \begin{array}{l}
 \bullet \text{Fuel supply} \\
 \bullet \text{Maintenance}
 \end{array}
 & + &
 \begin{array}{l}
 \bullet \text{Power reliability} \\
 \bullet \text{Power quality} \\
 \bullet \text{Displacement of heat load} \\
 \bullet \text{Displacement of electric load} \\
 \bullet \text{Sale of excess power} \\
 \bullet \text{Real option value}
 \end{array}
 & - &
 \begin{array}{l}
 \bullet \text{Rate changes} \\
 \bullet \text{Demand charges} \\
 \bullet \text{Hassle factor} \\
 \bullet \text{Risk} \\
 \bullet \text{+/- Tax Impact}
 \end{array}
 & + &
 \begin{array}{l}
 \bullet \text{Incremental throughput margin}
 \end{array}
 & + &
 \begin{array}{l}
 \bullet \text{T\&D avoidance} \\
 \bullet \text{Generation avoidance} \\
 \bullet \text{Lost revenue}
 \end{array}
 & = &
 \text{DG Economics}
 \end{array}$$

1. Adapted from Arthur D. Little publication, "Distributed Generation: Understanding the Economics"

Conclusions:

- **MicroTurbines provide many benefits in addition to their energy economics**
- **The most successful applications take advantage of these unique product attributes and features**
- **Energy economics serve to pay for the cost of delivering the additional benefits**